

Fountaindale Rd
Jamberoo NSW 2533
24 November 1998

Impact of Competition Policy Reforms Inquiry
Productive Commission
P O Box 80
BELCONNEN ACT 2616

Dear Sir/ Madam

I am writing to state my concern about the deregulation to the Dairy Industry. I have been unable to find any information about the enquiry so I wrote to my local member who told me to contact Mr Plunkett which I have done. My first concern is that the people who are the major stake holders in this enquiry need to receive more feedback on what is happening.

We would like to enter the Dairy Industry but the way the industry is heading I cannot see this happening, not only for us but for the many others who wish to enter the industry.

The financial institutes would be mad to lend money for people to set up in the dairy industry. With deregulation the industry would become unstable and risky. You would be unable to provide accurate figures to the financial institutes to evaluate a secure debt level that wouldn't send you bankrupt.

With deregulation there is no encouragement for the young to enter the industry and they will be lost. The number of apprentices taken by the farmer will decrease because they will be unable to afford to employ them. The number of new people entering the industry will decrease and eventually when the family farm needs to be handed down to their children they will find that their children have been lost to another industry.

It is unfair that the producers have had to take a cut in their milk price when the retailer and the processors have increased their profits by millions. Deregulation is not suited to every industry and the Dairy Industry is one of those.

The general feeling among the farmers is get big or get out. How unfair is this. Many don't want to get out or get bigger. There are those because of high land values that couldn't afford to get larger even if they wanted. Many farmers don't wish to relocate so as to get bigger. Get bigger doesn't suit everyone and it costs a lot more to get bigger.

The producer will be forced to accept less for their milk and will become price takers. The processors will only buy from high volume dairies and force the smaller producer out. Why should this happen? In forcing these farmers out they will become unemployed and be unable to find work on other dairies as there will be very few dairies left.

The farmers in NSW have been supporting the EBL eradication programme and have sent many high producing animals to slaughter so as to enable them to produce a high quality product, now they wonder why, when they are forced to accept a lower price for their product.

In concluding I can understand why nobody wants to enter the dairy industry. There is nothing to encourage people into the industry and it seems that with deregulation, dairy farming will be for those who can afford to purchase large properties and can spend millions of dollars in setting up a large enterprise to milk in excess of one thousand cows, and then you may be able to enter the dairy industry. The average to small farms that have been part of the dairy industry for generations will no longer exist.

Yours sincerely

M. Winzer



M & C Winzer